‘Europeanization’ has become a key theme in EU Studies in recent years. On the whole, this rather elusive concept has been deployed in the analysis of the relationship between domestic institutions, policy processes and sentiments in the member states on the one hand, and the impact of European integration and the growth of EU level governance on the other. The concept’s value lies in its interrogation of the extent to which the European Union has become an increasingly salient policy-making arena (Laffan, O’Donnell and Smith 1999). Its emphasis on the interlocking of the ‘domestic’ and the ‘European’ is also bound up with moves to re-describe the political economy of contemporary Europe as a system of multi-level governance (Marks, Hooghe and Blank 1996). But these two themes – the impact of schemes of regional integration and the re-calibration of governance – are also key issues in the vast literature on globalization. There seems, then, to be at least a prima facie case for the study of globalization to be explicitly attached to the analysis of the EU, not least because a fuller understanding of the concept of Europeanization is likely to follow.

With that aim in mind, this article proceeds in three steps. The first suggests (briefly) that globalization is a far more complex concept than is usually recognized in much literature. The second step looks at the ways in which the study of European integration has dealt with issues of international and global context as a bridge to suggesting that serious attention to the globalization-Europeanization relationship remains an impera-
tive task for scholars of the EU. However, the third step – recalling the first – cautions against a simplistic understanding of the problem by laying out a number of potential approaches, providing a critical review of existing work on the political economy of globalization and imagining potentially useful conversations with current research on European integration.

**Globalization**

‘Globalization’ is everywhere – or so we are told. The term is ubiquitous and signifies novelty, radical transformation, uncertainty, challenge and much else. It is a staple, not just of academic discussion, but also of journalistic and policy-making discourses. Globalization has the impressive quality of a term that is widely understood, but poorly defined and often hopelessly under-specified.

The academic elasticity of the term may, of course, explain globalization’s success. It also seems clear that it is a concept that arose around the turn of the 1960s in the corporate and financial journalism communities (Waters 1995). Its academic debut is rather more recent (the 1980s) and was probably first found in sociological circles. In his recent book *What is Globalization?*, Ulrich Beck argues that the concept operates in several dimensions: communications technology, ecology, the economy, the organization of work, culture and civil society (Beck 2000; see also Held et al 1999). Yet, within each of these dimensions the concept remains elusive. In most public and academic argument, globalization is thought of as an economic phenomenon, identified most usually with heightened capital mobility, intensified international trade and the multi- and transnationalization of production. These changes occur within and because of revolutions in communications and information technology. In these terms the primary consequences of globalization are (a) a transformation in the structures and practices of the world economy and (b) a dilemma for established forms of authority such as national governments. This could still mean a number of things such as the disarticulation of distinctively *national* economies, the creation of an information economy rooted in the financial calculus of genuinely transnational economic agents, the spread of a particular version of economic ideology (neoliberalism) or the heightened exposure of national economies to exogenous external pressures.
This point is crucial for two reasons. The first is that critics of the globalization thesis may actually be criticizing only a small element of the ensemble of phenomena that the term captures. Thus Paul Hirst and Grahame Thompson’s seminal *Globalization in Question* (Hirst and Thompson 1999) develops a counter-conception of an international economy with considerable space for national political agency out of a definition of globalization as the creation of a borderless global economy populated by powerful transnational corporate and financial actors. Others – drawing on the idea of globalization as external competitive and financial threat – point out that governments have always faced these problems and that history shows the capacity of national executives to meet the challenge through adept statecraft (Thompson 1999). Another line of argument disputes the novelty of globalization, pointing either to the long-run existence of interdependence among economies or to earlier technologies (such as telegraphy) that removed the constraints of distance. In addition, the tendency to characterize globalization as a process has the effect of ‘exogenizing’ or removing an understanding of agency from the phenomenon (Germain 2000). The second reason is that policy actors themselves deploy the vocabulary of ‘globalization’, not least in the EU (Rosamond 1999). What politicians, technocrats and organized interests mean when they use the term is of vital interest precisely because particular definitions may have an impact upon both the diagnosis of policy problems and the creation of policy solutions.

Linking these points together enables us to think about globalization in terms of structures and agents. Is it something ‘out there’ in the logic of impersonal markets or is it made by conscious human action? If the latter, is it a set of practices designed to further particular interests? Which actors – if any – retain authority or become authoritative in the context of globalization? Is the crucial measure of globalization objective or subjective; is a globalized world dependent on widespread consciousness of globalization’s existence? (Robertson 1992). If so what is the impact of these perceptions and how might these perceptions be moulded? If globalization – perceived or otherwise – does constitute a threat to national governance, what are the alternatives? Does globalization manifest itself in new institutional forms? Do these institutions act as sites of resistance or containment or do they actively facilitate globalization (whatever it is)? Set in this light, how and whether the growth of the
EU as (a) a project of regional integration and (b) a system of governance is related to globalization seems to be a pertinent question.

*European Integration in International/Global Context*

It is now more than a quarter of a century since Ernst Haas (1975) sounded the death knell of regional integration theory as a discrete pursuit in the political sciences. Haas, along with several of his erstwhile neofunctionalist colleagues, had come to the view that the analysis of regional entities such as the European Communities should be absorbed into the burgeoning study of interdependence (Webb 1983). The latter term was capable of capturing a range of dynamics that might help explain the tendency for adjacent economies to become enmeshed and for new forms of governance to follow. What was patently no longer possible was the generation of grand theories of regionalism out of the specificities of the West European experience. With this in mind, one cardinal error of neofunctionalism had been its failure to explore the international context within which the growth of post-war European integration had occurred. ‘Interdependence’ became big business in the growing field of international political economy (IPE) that began to emerge through the 1970s. The neglect of international context also had been integral to longer-standing critiques of neofunctionalism, especially those of a state-centric persuasion. Stanley Hoffmann (1966) argued that member states’ diverse foreign policy alignments would be a powerful pull in the direction of the ‘logic of diversity’. Given the status of foreign policy as ‘high politics’ (i.e. matters where fundamental questions of sovereignty are at stake), the main impact of international context would be to check the ‘logic of integration’.

It is worth remembering that neofunctionalists had begun to think about how to integrate the analysis of external context into their analysis of the Communities. Writers like Schmitter (1971) considered how geopolitical and geo-economic shocks could be used to explain either the initiation of regional integration schemes as well as the maintenance or reformulation of such institutional orders. Schmitter’s work and that of Haas (1975; 1976) was an exercise in thinking through how the incentive structures of actors – state and non-state – within the Communities would be re-ordered by exogenous happenings.
However, if anything, scholarship on the Communities became semi-detached from the field of international studies. Writers like Donald Puchala (1972) and Leon Lindberg (1967) had pointed the way to the fruitful reconceptualization of the EC as a political system. They saw the Communities as novel, but nevertheless amenable to the tools of comparative political science and public policy analysis. Contemporary EU Studies has gone a long way to produce hugely valuable work out of this core insight. Indeed, there have been some powerful interventions suggesting that the study of EU politics has little to learn from the study of international relations (Hix 1994), while others have salvaged a role for IR in explaining international contextual factors (Peterson 1995; Hurrell and Menon 1996).

The effects of the marginalization of IR in EU studies is another debate (Rosamond 2000: 157-185), but there is no doubt that the international studies community in general and international political economists in particular have become interested once again in questions of regional integration (Fawcett and Hurrell 1995; Gamble and Payne 1996; Hout and Grugel 1998; Mansfield and Milner 1997). The most obvious spur has been the growth of formal regional integration agreements in various parts of the world, and in this sense the EU (post Single European Act) is usually mentioned in the same intellectual breath as the likes of NAFTA, Mercosur and APEC. It is usual to understand these regionalisms as related to international economic processes. The study of the EU is no exception, but the tendency in much of the literature is to make assertions about global economic change or the setting of competitive imperatives. What the EU studies literature continues to lack is a serious understanding of the ways in which globalization and its synonyms (‘informal economic integration’, ‘external competitive threat’, ‘the international economic context’, ‘interdependence’ and so on) actually operate within the context of EU policy-making and throughout the member states. The challenge is how to bring together our growing and sophisticated understanding of the complexities and variabilities of the EU multi-level polity with the study of global processes and interactions.
Globalization, European Integration and EU Governance

Based upon a reading of existing literature, this section maps out a series of ways in which the relationship between globalization and the processes at work within the EU might be understood.

Viewed through the lens of international economics and IPE, the EU is perceived as an instance of regionalism or regionalization. The former is usually defined as an institutional creation designed to augment the economic co-operation between groups of geographically adjacent states. The latter consists of the de facto emergence of regional economies resulting from the market and production activities of sets of private, i.e. non-state actors (Higgott 1997). Two questions tend to dominate this literature. The first considers the extent to which regional arrangements (particularly of the formal variety) enhance or retard the progress of global free trade. For some regional schemes – provided that they pursue a course of liberalization internally and a policy of ‘openness’ externally – constitute a stepping stone to globalism. In this incarnation, globalization becomes a process of world-wide liberalization that can be advanced or retarded by the actions of governments working in consort. Yet, the second question complicates matters somewhat. Here the issue is the exploration of the relationship between de jure regionalism and de facto regionalization. Crudely put, do states create the legislative space for private market actors to pursue integrative activities or do they engage in co-operation and agree to liberalize because of the power exerted by transnational economic actors. Aside from the resemblance of this debate to William Wallace’s well-established distinction between ‘formal’ and ‘informal’ integration (W. Wallace 1990), it also connects to issues about authority that lie at the heart of the globalization debate. The continuing salience (or otherwise) of the nation-state and the capacity of governmental elites to exercise executive autonomy is perhaps the most significant point of contention here. States may be the chief architects of globalization (or of the intermediary stage of regionalism), but the causes and the consequences of those decisions remain contentious. For instance, two-level game theorists construct the possibility that governments come under pressure to liberalize capital movement from groups with powerful domestic leverage. The consequences of capital mobility can only be managed by governments entering into co-operation with other governments. Yet the conduct of governments in international negotiations is
also monitored by powerful forces in the domestic political economy (Milner 1998).

Applications to the EU are obvious. Its centrality to the world trading system, its status as a hub of multinational productive activity and foreign direct investment, plus its distinctive modes of economic governance make the insertion of the EU into these debates essential (Dent 1997). Yet the problem, as always, is one of specificity. NAFTA, Mercusor, APEC and the like may be responses to or the primary mechanisms for the propagation of globalization, but the EU arose in a very different set of historical circumstances. It exhibits greater degrees of institutionalization and supranationalism than all other examples of regionalism.

One route from here is to define European integration as the distinctively West European response to globalization (Wallace 1996). The particularity of the response is explained partly by the institutional prism that the EU applies to external stimuli. It is also the product of the dilemmas of faced by governments seeking to deliver successful policies to demanding domestic polities. In Helen Wallace’s formulation Europeanization represents a compromise between the redundancy of national solutions and the ‘relative anarchy of the globe’ that enabled ‘west Europeans [to] invent…a form of regional governance with polity-like features to extend the state and to broaden the boundary between themselves and the rest of the world’ (Wallace 1996: 16). The creation of the single market from the mid-1980s is often understood to have arisen in light of new competitive pressures set by a changing global economic order (Sandholtz and Zysman 1989). Likewise, Economic and Monetary Union (EMU) can be read as a means to achieve the virtues of exchange rate stability and ‘confidence’ in the context of international capital mobility. EMU might even be Europe’s most direct collective response to globalization (Verdun 2000).

This is a helpful way of thinking, but it is limited by one-dimensional views of both globalization and agency. Globalization becomes an external pressure to which European states respond by employing their common institutional framework of economic governance. It is hazy on both the longevity of globalization (i.e. do we explain the creation of the Communities in the 1950s in terms of a response to ‘globalization’?), and
the extent to which the EU as an entity exhibits a response that is distinctive from the individual and collective wills of its member states.

The question of statehood – or more precisely authority – has always been central to studies of European integration and to political debate about the Communities. The polar positions (roughly, the dissolution of the Westphalian state along with its replacement by a European ‘super-state’ vs business as usual for the nation-state) have long been discredited – in academic circles at least (Ruggie 1998). National governments remain key players in the Euro-polity, but in ways that are not necessarily consistent with the norms of the Westphalian order. Globalization is said to residualize the state or to create pressures for the creation of a competition state. The latter scenario represents an acceptance of the logic of liberalization and exposure to the global economy. Competition states ‘seek to make the domestic economy more prosperous and competitive in international terms while accepting the loss of key traditional social and economic state functions which were central to the development of the [industrial/welfare state]’ (Cerny and Evans 1999: 1; see also Cerny 2000). This claim resonates with Majone’s work on the regulatory state which has been applied with great effect to the EU (Majone 1996). The perception of the withdrawal of states from their stabilization and redistribution functions is especially striking in Western Europe where social compacts built around interventionist and redistributive policy-making became the norm for much of the post-war period. The growth in importance of the regulatory functions of European states (suggesting a convergence with the US model of economic governance) has been reinforced by the highly regulatory policy style of the EU. So perhaps the emerging national-level redistribution-stabilization deficit has not been compensated for at the European level. With welfare states allegedly under serious threat from the competitive imperatives set by globalization, the lack of a serious European welfare regime becomes conspicuous (Rhodes 1998).

If the EU represents an element of the mode of governance that emerges in the light of globalization, then it is interesting to speculate on how this arises. One view would be to follow Alec Stone Sweet and Wayne Sandholtz by suggesting that the momentum for supranationalism arises in the informal cross-border interaction amongst economic agents and that the corpus of Community regulations represents the realization of
demands for supranational rules to manage this embryonic transnational space (Stone Sweet and Sandholtz 1998). Thus the growth of the EU regulatory state might be part and parcel of globalization, but in a highly mediated form, developed through a set of distinctive and path-dependent institutions.

Questions of authority also raise the spectre of non-state actors and their influence. The networking of European multinationals within the EU has been well-documented (Cowles 1995) and corporate power is generally acknowledged to have influenced the single market programme and the general economic liberal thrust of much EU policy development. Indeed is has been argued that the EU is a hub of economic globalization both internally through its propagation of a deregulatory and market driven European economy fuelled by a rigid monetary regime but also externally through the development of ventures such as Transatlantic Economic Partnership and the notorious Multilateral Agreement on Investment (Balanyá et al 2000).

Issues of authority are also brought to light by contributions focusing on the implications of globalization for the contemporary European nation-state. Of particular relevance is the ‘models of capitalism’ literature, recently brought to light with characteristic brilliance by David Coates (Coates 2000; see also Albert 1993; Berger and Dore 1996). Globalization is conceptualized as a challenge to distinctive ways of organizing and managing the capitalist mode of production, and in particular as the attempt of one variant – market-led capitalism – to become the template for economic governance world-wide. More specifically, this literature from a comparative political economy tradition also thinks about the comparative success of alternative frameworks in given policy areas to gather knowledge about global forces and the capacity of political actors to contain them (Archibugi, Howells and Michie 1999). Noticeably, this literature rarely has much to say about the EU as a level of analysis. The same is true of a literature on the interplay between localities and the global (Amin and Thrift 1994). This makes interesting remarks about the differential capacity of places to ‘manage’ the global, an idea captured by the notion of ‘institutional thickness’. Positive engagement with the global economy (as opposed to passive receipt of its dictates) is the consequence of a mixture of vibrant and interactive local institutions and powerful senses of common purpose and identity.
Again, the EU can be connected to these debates. Does it possess ‘institutional thickness’? Does European integration represent the pathway for market-led capitalism to be realized in Europe? In fact, there may be multiple answers to these questions. The EU’s institutions provide a venue for these struggles to be fought and the segmented character of the policy-making process ensures that rival alternatives become embedded. It is not just that different types of strategic response to globalization become institutionalized, but that alternative conceptions of globalization co-exist within the policy process. On the whole, globalization is understood in the conventional economistic terms identified here. The difference within, for example, Directorates General of the European Commission lies in an understanding of the extent to which this is either a phenomenon that is shaped by the EU or one which sets challenges for the EU (Rosamond 1999). Indeed within the EU, the Commission’s Forward Studies Unit (Cellule de Prospective) has been actively engaged in seeking to make the case for transforming firms from ‘environment takers’ into ‘environment makers’ (Jacquemin and Wright 1993) and in laying out future scenarios for the European business environment (Bertrand, Michalski and Pench 1999).

This takes us back to the issue of whether regions such as Europe are actively made or are the passive recipients of global processes. It is quite clear that in its advocacy of ‘Europeanization’ the Commission has been keen to make reference to external context as the driving motivation for the development of common policies or deeper integration. During the second half of the 1990s, the spectre of globalization was often invoked to provide evidence of the need to move from national to supranational economic governance or, more abstractly, to pursue a course of ‘open regionalism’ in the global economy (see Brittan 1997a; 1997b; 1998). What is clear is that the ‘discourse of globalization’ has become a powerful rhetorical tool in EU policy-making (Rosamond 1999). One route from here is to argue that ‘globalization’ is used to present a logic of no alternative (Hay and Watson 1999) – in this case to the dual strategy of liberalization and Europeanization – that helps to legitimate the pursuit of particular interests. Another is to take the discourse a little more seriously to consider how the deployment of ideas of globalization might help to socially construct and embed particular notions such as ‘the European economy’ and ‘European firms’ while placing them in a
(socially-constructed) external context (‘globalization’). This more radical idea of discourse is associated with those strands of social theory arguing that actors behave in accordance with their knowledge about structures and that this knowledge is subjective and contingent rather than objective and given by material circumstance.

**Conclusion**

The broader product of staking a claim for more attention to be paid to the globalization-Europeanization nexus is to make a wider case for a ‘new political economy’ of European integration. The tendency to treat globalization as an ‘exogenous process’ is not only endemic to EU Studies. The evident growth of sophisticated and nuanced understandings of contemporary European governance is a clear model of good practice, demonstrating the ways in which the wider intellectual and policy concerns can be brought to bear on the analysis of European integration. Bringing a multidimensional understanding of globalization to bear upon EU Studies will enrich our understanding of the space for authoritative action within the multi-level polity and contribute to a better knowledge of the dynamics of European and national capitalisms. Because Western Europe is also clearly a zone of intensive discursive practice about ‘globalization’, this intellectual move will also give a clearer picture of how actors understand their context and how powerful ideational frameworks can shape real world practices.

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